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1998 AVERAGE ANNUAL PAY IN MIDWEST STATES

The average annual pay of all workers covered by State and Federal Unemployment Insurance (UI) programs in ten Midwest States was \$31,289 in 1998, a 5.0 percent increase over the previous year. This was close to the national average pay level of \$31,908, which rose 5.1 percent from 1997. Peter J. Hebein, Regional Commissioner of the U.S. Bureau of Labor Statistics in Chicago, noted that the annual pay of private industry workers in the Midwest, who comprise 86.3 percent of the region's employment, rose 5.4 percent in 1998, while pay for government workers rose 2.8 percent. The ten Midwest States include Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Annual pay data are compiled from reports submitted by employers subject to state UI laws, covering 119.0 million full- and part-time workers nationwide. Average annual pay is computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of these employees. Thus, pay differences between states and the changes over time may reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. (See Technical Note.)

Individual State Data

Illinois led the 10 Midwestern States with an average annual pay level of \$34,704 in 1998. Michigan posted the second highest pay (\$34,542), followed by Minnesota (\$32,073), Ohio (\$30,395), and Indiana (\$29,107). South Dakota at \$22,754, reported the lowest pay level among the ten states.

Nationally, the District of Columbia's pay level, at \$48,727 in 1998, had the highest ranking, a position it has maintained since 1987. Among all states, Connecticut had the highest pay level (\$40,915), followed by New York (\$40,678), Massachusetts (\$37,787), and California (\$35,349). Among Midwestern states, Illinois's pay level was sixth highest in the Nation, and Michigan's ranked seventh. Out of the 49 states for which data was reported, South Dakota's average annual pay ranked the lowest. (New Jersey data were not available for the third and fourth

quarters of 1998 and therefore are not shown in this release. Totals for the United States were calculated using estimated data for New Jersey.)

Minnesota experienced the largest percentage increase in pay in the region between 1997 and 1998 at 6.1 percent. Five Midwest states—Michigan, Indiana, Illinois, South Dakota, and Iowa—had annual pay increases close to the national average of 5.1 percent. The four remaining states of Ohio, Wisconsin, North Dakota, and Nebraska had percentage gains ranging from 4.4 to 3.9 percent.

Nationally, the largest percentage increases in pay occurred in the states of Washington and Colorado which reported pay gains of 7.5 and 7.3 percent respectively, from 1997 to 1998. In 1998 a total of 7 states reported pay growth rates of 6.0 percent or higher, 17 states reported pay growth rates between 5.0 and 5.9 percent, and 18 states and the District of Columbia had pay increases between 4.0 percent and 4.9 percent. No state or jurisdiction reported a decline in average annual pay.

Industry

Average annual pay levels for the Midwest region varied widely by industry. The mining industry, which had the fewest workers, had the highest average annual pay (\$42,967). The next highest pay level was in finance, insurance and real estate (\$42,362), followed by manufacturing (\$41,930). The lowest pay level (\$15,695) was in the retail trade industry, which employs a large proportion of part-time workers. Average annual pay for the government sector, which includes local, state, and federal government establishments, was \$31,935.

Within the private sector, finance, insurance and real estate had the largest percentage increase in annual pay, 8.6 percent. The next largest gain in the region in 1998 was in retail trade (6.3 percent) followed by the construction and services industries (5.8 percent, each). The smallest pay gain among the eight major private sector industries was in mining (2.3 percent). Pay growth in the government sector was 2.8 percent. (See table 3.)

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Technical Note

These data are the product of a federal-state cooperative program known as Covered Employment and Wages, or the ES-202 program. The data are derived from summaries of employment and total pay of workers covered by unemployment insurance (UI) legislation and provided by State Employment Security Agencies (SESAs). The summaries are a by-product of the administration of state unemployment insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI. Data for 1998 are preliminary and subject to revision. Effective with third-quarter 1997 processing, employment and wage totals were generated using new systems in each of the states and at the Bureau of Labor Statistics. In some cases, this transition to new systems resulted in larger differences between preliminary and final 1997 levels.

Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual employment and pay data included in this release are derived from microdata summaries of nearly 7.7 million employer reports of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 1998, UI and UCFE programs covered workers in 124.2 million jobs. The estimated 119 million workers in these jobs, (after adjustment for multiple jobholders), represented 98.4 percent of wage and salary civilian employment. Multiple jobholder estimates are produced by the Current Population Survey (CPS). Covered workers received \$3.961 trillion in pay, representing 95.5 percent of the wage and salary component of personal income and 46.5 percent of the gross domestic product.

Major exclusions from UI coverage during 1998 included most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

Concepts and methodology

Average annual pay was computed by dividing total annual pay of employees covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans, and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Workers on paid vacations and part-time workers also are included. Percent changes in average annual pay were computed using

final 1997 data as the base. These final 1997 data may differ from the preliminary 1997 data previously published.

Average annual pay is affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations. When comparing average annual pay levels between industries and/or states, these factors should be taken into consideration. Annual pay data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer. Also, year-to-year changes in average annual pay can result from a change in the proportion of employment in high- and low-wage jobs, as well as from changes in the level of average annual pay.

In order to insure the highest possible quality of data, SESAs verify with employers and update, if necessary, the industry, location, and ownership classification of all establishments on a 3-year cycle. Changes in establishment classification codes resulting from the verification process are introduced with the data reported for the first quarter of the year. Changes resulting from improved employer reporting are also introduced in the first quarter. For these reasons, some data, especially at more detailed industry levels, may not be strictly comparable with earlier years. In 1997, effective with first-quarter data, improved Department of Defense civilian employment and wages were centrally collected from a new data source.

A few covered employers provided insufficient information on the nature of their businesses to assign a specific SIC classification and therefore could not be classified by industry division. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

Additional statistics and other information

Average annual pay data for the nation and for all metropolitan areas is available on the Internet at <http://stats.bls.gov/newsrels.htm> in the following news releases:

- Average Annual Pay by State and Industry
- Annual Pay Levels in Metropolitan Areas
- Employment and Annual Average Pay for Large Counties

BLS issues an annual report which provides data from state UI and UCFE programs. The comprehensive bulletin, *Employment and Wages, Annual Averages, 1998*, Bulletin 2525, features information by detailed industry on establishments, employment, and wages for the nation and individually for each state. The report may be purchased for \$48.00 from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Telephone orders using a credit card (MasterCard, VISA, Discover/NOVUS) or Government Printing Office Deposit Account are accepted at (312) 353-1880 from 8 a.m. to 3 p.m. CT.

Table 1. State average annual pay for 1997 and 1998 and percent change in pay for all covered workers¹

	Average annual pay		Percent change, 1997-98 ³
	1997	1998 ²	
UNITED STATES	\$30,353	\$31,908	5.1
Midwest States	29,796	31,289	5.0
Alabama	26,139	27,035	3.4
Alaska	33,156	33,839	2.1
Arizona	27,659	29,317	6.0
Arkansas	23,227	24,442	4.9
California	33,525	35,349	5.4
Colorado	30,066	32,246	7.3
Connecticut	38,941	40,915	5.1
Delaware	32,188	33,996	5.6
District of Columbia	46,761	48,727	4.2
Florida	26,673	28,143	5.5
Georgia	29,037	30,873	6.3
Hawaii	28,357	29,029	2.4
Idaho	24,062	24,866	3.3
Illinois	33,024	34,704	5.1
Indiana	27,635	29,107	5.3
Iowa	24,803	26,035	5.0
Kansas	25,694	26,842	4.5
Kentucky	25,557	26,689	4.3
Louisiana	25,755	26,905	4.5
Maine	24,899	25,875	3.9
Maryland	31,763	33,306	4.9
Massachusetts	35,716	37,787	5.8
Michigan	32,780	34,542	5.4
Minnesota	30,231	32,073	6.1
Mississippi	22,778	23,822	4.6
Missouri	27,780	28,907	4.1
Montana	21,946	22,644	3.2
Nebraska	24,565	25,535	3.9
Nevada	28,672	30,201	5.3
New Hampshire	29,296	30,943	5.6
New Jersey	37,514	(4)	(4)
New Mexico	24,684	25,716	4.2
New York	38,543	40,678	5.5
North Carolina	26,684	28,107	5.3
North Dakota	22,049	22,990	4.3
Ohio	29,094	30,395	4.5
Oklahoma	24,226	25,122	3.7
Oregon	28,411	29,542	4.0
Pennsylvania	30,163	31,582	4.7
Rhode Island	28,662	30,148	5.2
South Carolina	24,995	26,151	4.6
South Dakota	21,648	22,754	5.1
Tennessee	27,248	28,457	4.4
Texas	29,699	31,512	6.1
Utah	25,736	26,869	4.4
Vermont	25,496	26,615	4.4
Virginia	29,548	31,384	6.2
Washington	30,769	33,076	7.5
West Virginia	24,716	25,269	2.2
Wisconsin	27,337	28,542	4.4
Wyoming	23,866	24,747	3.7

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Data are preliminary.

³ Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

⁴ New Jersey data for 1998 are not available. Total for United States calculated using estimated data.

Table 2. States ranked by 1997 to 1998 percent change in pay for all covered workers¹

	Average annual pay		Percent change, 1997-98 ³
	1997	1998 ²	
UNITED STATES	\$30,353	\$31,908	5.1
Midwest States	29,796	31,289	5.0
Washington	30,769	33,076	7.5
Colorado	30,066	32,246	7.3
Georgia	29,037	30,873	6.3
Virginia	29,548	31,384	6.2
Minnesota	30,231	32,073	6.1
Texas	29,699	31,512	6.1
Arizona	27,659	29,317	6.0
Massachusetts	35,716	37,787	5.8
Delaware	32,188	33,996	5.6
New Hampshire	29,296	30,943	5.6
Florida	26,673	28,143	5.5
New York	38,543	40,678	5.5
California	33,525	35,349	5.4
Michigan	32,780	34,542	5.4
Indiana	27,635	29,107	5.3
Nevada	28,672	30,201	5.3
North Carolina	26,684	28,107	5.3
Rhode Island	28,662	30,148	5.2
Connecticut	38,941	40,915	5.1
Illinois	33,024	34,704	5.1
South Dakota	21,648	22,754	5.1
Iowa	24,803	26,035	5.0
Arkansas	23,227	24,442	4.9
Maryland	31,763	33,306	4.9
Pennsylvania	30,163	31,582	4.7
Mississippi	22,778	23,822	4.6
South Carolina	24,995	26,151	4.6
Kansas	25,694	26,842	4.5
Louisiana	25,755	26,905	4.5
Ohio	29,094	30,395	4.5
Tennessee	27,248	28,457	4.4
Utah	25,736	26,869	4.4
Vermont	25,496	26,615	4.4
Wisconsin	27,337	28,542	4.4
Kentucky	25,557	26,689	4.3
North Dakota	22,049	22,990	4.3
District of Columbia	46,761	48,727	4.2
New Mexico	24,684	25,716	4.2
Missouri	27,780	28,907	4.1
Oregon	28,411	29,542	4.0
Maine	24,899	25,875	3.9
Nebraska	24,565	25,535	3.9
Oklahoma	24,226	25,122	3.7
Wyoming	23,866	24,747	3.7
Alabama	26,139	27,035	3.4
Idaho	24,062	24,866	3.3
Montana	21,946	22,644	3.2
Hawaii	28,357	29,029	2.4
West Virginia	24,716	25,269	2.2
Alaska	33,156	33,839	2.1
New Jersey	37,514	(4)	(4)

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Data are preliminary.

³ Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

⁴ New Jersey data for 1998 are not available. Total for United States calculated using estimated data.

Table 3. State and industry average annual pay for 1997 and 1998, percent change in pay, and average annual employment for all covered workers¹ -- Midwest States

State and industry	Average annual employment		Average annual pay		Percent change In pay ³
	1997	1998 ²	1997	1998 ²	
United States					
Total Private ⁴	102,175,100	105,051,200	\$30,064	\$31,722	5.5
Mining	595,837	588,650	49,998	52,021	4.0
Construction	5,637,870	5,949,490	31,744	33,346	5.0
Manufacturing	18,654,350	18,807,070	38,306	40,040	4.5
Transportation, communications, and public utilities	6,164,800	6,367,350	37,658	39,301	4.4
Wholesale trade	6,655,600	6,816,050	39,449	41,759	5.9
Retail trade	21,927,090	22,270,990	15,878	16,794	5.8
Finance, insurance, and real estate	6,952,800	7,218,810	44,884	48,597	8.3
Services	33,679,010	35,034,900	28,466	30,011	5.4
Government	18,869,260	19,099,420	31,916	32,931	3.2
Midwest States					
Total Private ⁴	22,360,993	22,826,120	29,593	31,187	5.4
Mining	59,578	50,390	42,002	42,967	2.3
Construction	1,102,762	1,147,775	34,248	36,225	5.8
Manufacturing	5,198,045	5,233,214	40,352	41,930	3.9
Transportation, communications, and public utilities	1,213,095	1,253,644	36,072	37,592	4.2
Wholesale trade	1,467,908	1,496,271	38,943	41,070	5.5
Retail trade	4,805,125	4,844,030	14,763	15,695	6.3
Finance, insurance, and real estate	1,458,330	1,496,694	38,998	42,362	8.6
Services	6,799,788	7,013,078	26,157	27,678	5.8
Government	3,580,264	3,613,720	31,066	31,935	2.8
Illinois					
Total Private ⁴	4,892,410	5,007,340	32,972	34,738	5.4
Mining	11,546	10,815	45,813	47,300	3.2
Construction	231,105	239,437	39,767	41,806	5.1
Manufacturing	973,003	973,044	41,195	42,425	3.0
Transportation, communications and public utilities	317,830	327,369	39,759	41,510	4.4
Wholesale trade	346,893	353,105	43,312	45,696	5.5
Retail trade	973,340	976,834	16,426	17,391	5.9
Finance, insurance, and real estate	387,380	393,732	48,754	53,217	9.2
Services	1,602,341	1,678,770	29,901	31,609	5.7
Government	769,346	775,048	33,355	34,483	3.4
Indiana					
Total Private ⁴	2,431,825	2,483,145	27,583	29,139	5.6
Mining	6,844	6,813	44,125	45,904	4.0
Construction	140,681	145,329	31,437	33,381	6.2
Manufacturing	676,725	684,001	38,095	40,140	5.4
Transportation, communications, and public utilities	132,507	136,795	32,892	34,433	4.7
Wholesale trade	140,488	142,996	34,799	36,826	5.8
Retail trade	541,009	545,827	13,983	14,703	5.1
Finance, insurance, and real estate	136,857	139,262	32,451	35,678	9.9
Services	631,207	655,679	23,512	24,777	5.4
Government	365,054	371,174	27,979	28,892	3.3

See footnotes at end of table.

Table 3. State and industry average annual pay for 1997 and 1998, percent change in pay, and average annual employment for all covered workers¹ -- Midwest, cont'd.

State and industry	Average annual employment		Average annual pay		Percent change In pay ³
	1997	1998 ²	1997	1998 ²	
Iowa					
Total Private ⁴	1,154,823	1,189,442	24,353	25,629	5.2
Mining	2,134	2,186	32,494	34,589	6.4
Construction	59,967	63,069	28,968	30,656	5.8
Manufacturing	253,541	260,840	33,501	34,476	2.9
Transportation, communications, and public utilities	61,878	65,594	30,273	31,993	5.7
Wholesale trade	84,720	86,018	31,159	32,677	4.9
Retail trade	261,277	266,887	12,868	13,634	6.0
Finance, insurance, and real estate	79,556	82,819	33,238	36,098	8.6
Services	336,165	345,087	20,886	22,069	5.7
Government	215,892	216,696	27,212	28,263	3.9
Michigan					
Total Private ⁴	3,764,910	3,800,680	32,588	34,615	6.2
Mining	7,575	7,826	41,649	42,562	2.2
Construction	177,475	183,495	35,488	38,148	7.5
Manufacturing	968,074	967,885	48,638	51,320	5.5
Transportation, communications, and public utilities	164,752	170,453	39,451	40,898	3.7
Wholesale trade	225,111	230,518	43,527	45,698	5.0
Retail trade	807,531	807,514	15,080	16,125	6.9
Finance, insurance, and real estate ...	203,804	203,323	36,475	40,397	10.8
Services	1,157,335	1,166,785	27,640	29,479	6.7
Government	592,493	597,122	33,999	34,079	0.2
Minnesota					
Total Private ⁴	2,094,083	2,157,955	30,095	32,010	6.4
Mining	7,929	(5)	46,228	(5)	(5)
Construction	93,551	101,636	36,963	39,012	5.5
Manufacturing	435,503	440,737	39,239	40,949	4.4
Transportation, communications, and public utilities	118,012	122,221	37,359	39,379	5.4
Wholesale trade	150,406	153,022	41,758	44,174	5.8
Retail trade	447,972	457,842	15,260	16,659	9.2
Finance, insurance, and real estate	145,048	154,283	42,962	46,634	8.5
Services	673,031	696,389	26,618	28,440	6.8
Government	331,202	335,523	31,087	32,479	4.5
Nebraska					
Total Private ⁴	684,455	705,747	24,168	25,151	4.1
Mining	1,198	1,205	29,300	31,027	5.9
Construction	38,193	40,928	27,654	29,214	5.6
Manufacturing	115,953	118,686	30,325	31,009	2.3
Transportation, communications, and public utilities	42,152	43,294	35,318	33,834	-4.2
Wholesale trade	53,744	54,563	29,137	30,754	5.5
Retail trade	155,571	157,423	13,188	13,799	4.6
Finance, insurance, and real estate	52,225	55,140	31,525	33,118	5.1
Services	213,318	221,668	23,223	24,588	5.9
Government	144,439	143,708	26,447	27,420	3.7

See footnotes at end of table.

Table 3. State and industry average annual pay for 1997 and 1998, percent change in pay, and average annual employment for all covered workers¹ -- Midwest, cont'd.

State and industry	Average annual employment		Average annual pay		Percent change In pay ³
	1997	1998 ²	1997	1998 ²	
North Dakota					
Total Private ⁴	242,963	247,933	21,586	22,570	4.6
Mining	4,177	3,914	38,920	40,801	4.8
Construction	14,958	15,602	27,299	28,816	5.6
Manufacturing	23,599	24,189	27,415	29,086	6.1
Transportation, communications, and public utilities	16,627	16,558	31,268	33,092	5.8
Wholesale trade	21,629	21,669	28,327	29,867	5.4
Retail trade	59,134	59,769	12,431	12,851	3.4
Finance, insurance, and real estate	14,500	15,410	26,881	28,131	4.7
Services	85,136	87,552	20,072	20,769	3.5
Government	53,532	53,665	24,149	24,929	3.2
Ohio					
Total Private ⁴	4,573,850	4,657,350	28,763	30,130	4.8
Mining	13,425	13,161	40,218	42,292	5.2
Construction	222,875	229,355	32,164	33,782	5.0
Manufacturing	1,091,328	1,094,955	40,371	41,649	3.2
Transportation, communications, and public utilities	224,954	232,762	34,776	36,284	4.3
Wholesale trade	291,511	297,580	38,431	40,548	5.5
Retail trade	1,019,390	1,026,358	14,719	15,648	6.3
Finance, insurance, and real estate	279,396	288,551	35,433	38,283	8.0
Services	1,385,559	1,426,030	25,253	26,499	4.9
Government	712,286	718,373	31,216	32,113	2.9
South Dakota					
Total Private ⁴	282,903	289,046	21,083	22,280	5.7
Mining	2,173	1,668	39,785	41,315	3.8
Construction	15,199	16,050	24,835	25,793	3.9
Manufacturing	49,466	49,669	26,489	29,081	9.8
Transportation, communications, and public utilities	15,611	15,842	27,802	28,799	3.6
Wholesale trade	20,030	20,219	26,771	28,144	5.1
Retail trade	68,307	69,188	12,522	13,057	4.3
Finance, insurance, and real estate	21,033	22,672	26,320	28,012	6.4
Services	87,780	90,140	19,986	20,931	4.7
Government	56,637	57,226	24,469	25,146	2.8
Wisconsin					
Total Private ⁴	2,238,771	2,287,482	26,880	28,128	4.6
Mining	2,577	2,802	37,265	39,088	4.9
Construction	108,758	112,874	33,571	35,543	5.9
Manufacturing	610,853	619,208	35,506	36,408	2.5
Transportation, communications, and public utilities	118,772	122,756	31,292	32,833	4.9
Wholesale trade	133,376	136,581	34,595	36,501	5.5
Retail trade	471,594	476,388	13,492	14,320	6.1
Finance, insurance, and real estate	138,531	141,502	34,250	36,335	6.1
Services	627,916	644,978	23,539	24,861	5.6
Government	339,443	345,185	30,349	31,281	3.1

¹ Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

² Data are preliminary.

³ Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

⁴ Includes data for industries in addition to those shown separately.

⁵ Data do not meet BLS or State agency disclosure standards.